

IN THE CIRCUIT COURT FOR DAVIDSON COUNTY, TENNESSEE
TWENTIETH JUDICIAL DISTRICT AT NASHVILLE

2007 NOV 15 PM 2:31
RICHARD B. ROOPER, CLERK
D.C.

STATE OF TENNESSEE, ex rel. ROBERT
E. COOPER, JR., Attorney General &
Reporter,

Plaintiff,

v.

No. _____

EXPYFI, LLC, a Georgia limited liability
company, doing business as www.expyfi.com,
CREDITMAX FINANCIAL, LLC, a Georgia
limited liability company, CREDIT PHD., INC.,
A Georgia nonprofit corporation, and
ANTHONY "TONY" IRVING THOMAS aka
ANTHONY J. THOMPSON,
individually and doing business as
EXPYFI, LLC, CREDITMAX FINANCIAL,
LLC, CREDIT PHD., INC., and
www.expyfi.com,

Defendants.

COMPLAINT

This civil law enforcement proceeding is brought in the name of the State of Tennessee, by and through the Attorney General and Reporter, Robert E. Cooper, Jr. ("Attorney General"), pursuant to the request of Mary Clement, Director of the Division of Consumer Affairs of the Department of Commerce and Insurance ("Director"), under the Tennessee Consumer Protection Act of 1977 ("TCPA"), Tenn. Code Ann. § 47-18-101 *et seq.* Pursuant to Tenn. Code Ann. § 47-18-1010, the Attorney General may also institute a proceeding under the TCPA if he has reason to believe that Defendant has violated the Tennessee Credit Services Businesses Act, Tenn. Code

Ann. § 47-18-1001 *et seq.* In addition to the authority granted to the Attorney General under the TCPA, the Attorney General's authority for this action also stems from the Attorney General's general statutory enforcement authority under Tenn. Code Ann. § 8-6-109 and the Attorney General's authority at common law.

The Attorney General and the Director have reason to believe that the Defendants have violated the Tennessee Consumer Protection Act by engaging in unfair and deceptive acts and practices in connection with offering credit repair services that Defendants are not authorized to provide in Tennessee.

Pursuant to Tenn. Code Ann. § 47-18-108(a)(2), on September 7, 2007, the Division attempted to give ten (10) days notice of its intention to institute legal proceedings against the above-named parties by mailing a letter by certified mail - return receipt requested to the address listed as the registered agent on Defendant ExpyFi LLC and Defendant Credit Phd., Inc.'s corporate documents filed with the Georgia Secretary of State. This letter was returned as "not deliverable as addressed; unable to forward." On September 21, 2007, at the request of the Attorney General's Office, two investigators with the Civil Investigations Unit in the Georgia Governor's Office of Consumer Affairs delivered a copy of this letter by leaving it taped to the front door of the house located at 3560 Imperial Hill, Snellville, Georgia 30039, after no one answered their knocking on the door. After these attempts, the Division has determined in writing that the purposes of the TCPA would be substantially impaired by further delay in instituting legal proceedings by further attempts to locate and serve the notice letter. Therefore, Defendants were not given ten (10) days notice of intent to sue. *See* Exhibit A, Affidavit of Mary

Clement, Director of the Division of Consumer Affairs of the Department of Commerce and Insurance.

I. JURISDICTION AND VENUE

1. This Court exercises jurisdiction over the subject matter of this Complaint and the parties pursuant to Tenn. Code Ann. §§ 47-18-108 and 47-18-114. As the Complaint will show, Defendants are promoting their credit services business via signs posted near major roads in Tennessee, by holding seminars in Tennessee, via telephone, and via the Internet.

2. Venue is proper in Davidson County pursuant to Tenn. Code Ann. § 47-18-108(a)(3) because it is the county where the unfair and deceptive acts and practices alleged in this Complaint have occurred, are occurring, or are about to occur.

II. THE PARTIES

3. Plaintiff, State of Tennessee, by and through its Attorney General and Reporter, Robert E. Cooper, Jr., is charged with enforcing the Tennessee Consumer Protection Act of 1977 (“TCPA”), Tenn. Code Ann. § 47-18-101 *et seq.*, which prohibits unfair or deceptive acts or practices affecting the conduct of any trade or commerce, and the Tennessee Credit Services Businesses Act, Tenn. Code Ann. § 47-18-1001 *et seq.* Under Tenn. Code Ann. § 47-18-108(a)(1), the Attorney General may initiate civil law enforcement proceedings in the name of the State to enjoin violations of the TCPA and to secure such equitable and other relief as may be appropriate in each case. Under Tenn. Code Ann. § 47-18-1010(b), the Attorney General may initiate civil law enforcement proceedings under the TCPA if he has reason to believe any credit services business, or any salesperson, agent, representative, or independent contractor acting on

behalf of a credit services business, has violated any provision of the Tennessee Credit Services Businesses Act.

4. Upon information and belief, Defendant Anthony “Tony” Irving Thomas aka Anthony J. Thompson (“Defendant Thomas”), is an individual who was last known to reside at 3560 Imperial Hill Drive, Snellville, GA 30039. Upon information and belief, Defendant Thomas’s mortgage holder foreclosed on the house at 3560 Imperial Hill Drive, Snellville, GA 30039 in March 2007. Defendant Thomas has also listed P.O. Box 390591, Snellville, Georgia 30039 as his address on corporate documents. Defendant Thomas is the sole organizer and registered agent of ExpyFi, LLC, also doing business as www.expyfi.com (“Defendant ExpyFi”). Defendant Thomas is the registered agent of CreditMax Financial, LLC (“Defendant CreditMax”). Defendant Thomas is the sole incorporator, chief executive officer, and registered agent of Credit Phd., Inc. (“Defendant Credit Phd.”). At all times relevant hereto, Defendant Thomas has actively participated in the operation, sales, advertising and promotion of Defendants ExpyFi, CreditMax, and Credit Phd. Further, Defendant Thomas, acting alone or in concert with others, has formulated, directed, controlled, has or has had the authority to control or has actively participated in the acts and practices at issue in this Complaint including all of the unlawful conduct alleged herein. At all times relevant to this Complaint, Defendant Thomas has had the authority to stop Defendants’ violations of the law.

5. Upon information and belief, Defendant ExpyFi, LLC is a Georgia limited liability company for which documents filed with the Georgia Secretary of State lists the principal mailing address of ExpyFi, LLC as P.O. Box 390591, Snellville, Georgia 30039.

6. Upon information and belief, Defendant CreditMax Financial, LLC is a Georgia limited liability company for which documents filed with the Georgia Secretary of State lists the principal office address of CreditMax Financial, LLC as 3570 Habersham at Northlake, Tucker, Georgia 30084.

7. Upon information and belief, Defendant Credit Phd., Inc. is a Georgia nonprofit corporation for which documents filed with the Georgia Secretary of State lists the principal office address of Credit Phd., Inc. as 3560 Imperial Hill Drive, Snellville, GA 30039.

8. Upon information and belief, Defendant Thomas has conducted business under the following web site name and web address: www.expyfi.com.

9. Upon information and belief, the Internet website www.expyfi.com is operated and controlled by Defendant Thomas.

10. Defendant Anthony “Tony” Irving Thomas aka Anthony J. Thompson, Defendant ExpyFi, Defendant CreditMax, and Defendant Credit Phd. are collectively referred to herein as “Defendants.”

III. FACTUAL ALLEGATIONS

Upon information and belief, the State alleges as follows:

11. In late August, 2007, signs were posted at Interstate exit ramps in Nashville and Memphis, including the exit ramps off I-40 onto Church Street and Charlotte Avenue in downtown Nashville. These signs stated, “RAISE CREDIT SCORES to 700+ 1-800-852-8366.”

12. A Google search on the Internet of 800-852-8366 resulted in this Internet link: <http://qixscore.com/forms/memapp.pdf>. Clicking on this link provides a form titled “EXPYFI

CREDIT AND FINANCIAL RESTORATION Membership Application.” A link to this form is also found by clicking on Member Application under “Forms” on www.expyfi.com.

13. This ExpyFi Membership Application states: “A \$39 non-refundable set-up fee is required for new memberships.”

14. This ExpyFi Membership Application also states:

Service Packages!

Get Started TODAY!

Sign up for:	Indiv.	Couple	TOTAL
<input type="checkbox"/> RESTORATION PACKAGE	\$79.00	\$99.00	_____
<input type="checkbox"/> CREDIT REPORT	\$30.00	\$45.00	_____

I understand I will not receive a physical credit report from ExpyFi, but I will receive my credit scores via email from ExpyFi.

<input type="checkbox"/> MEMBER SET-UP FEE	XXXX	XXXX	\$39.00
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Grand Total: _____

15. This ExpyFi Membership Application also provides a place for the consumer signing up for ExpyFi’s services to authorize ExpyFi to make charges to his or her credit card or make withdrawals from his or her bank checking or savings account.

16. This ExpyFi Membership Application also provides a place for the consumer to sign his or her name. Under the signature line, the application states, “I have agreed to purchase the package selected above. I understand that such services/products will be provided on a monthly basis until I cancel my membership in writing.”

17. By entering into this Membership Application contract with consumers, ExpyFi is advertising and charging consumers up-front to provide credit repair services before any services are performed or completed.

18. The Google search on the Internet of 800-852-8366 also resulted in this Internet link: <http://qixscore.com/forms/newmemapp1.pdf>. Clicking on this link provides a form titled "EXPYFi Crediration & Financial Restoration Membership Application" (heretofore referred to as "New Membership Application").

19. This ExpyFi New Membership Application states: "A \$39 non-refundable set-up fee is required for new memberships."

20. This ExpyFi New Membership Application also states:

Service Packages!

Get Started TODAY!

Sign up for:	Indiv.	Couple	TOTAL
<input type="checkbox"/> BRONZE PACKAGE	\$49.00	\$69.00	_____
<input type="checkbox"/> SILVER PACKAGE	\$79.00	\$99.00	_____
<input type="checkbox"/> GOLD PACKAGE	\$99.00	\$119.00	_____
<input type="checkbox"/> CREDIT REPORT	\$30.00	\$45.00	_____
<input type="checkbox"/> MEMBER SET-UP FEE	XXXX	XXXX	\$39.00

Grand Total: _____

21. This ExpyFi New Membership Application also provides a place for the consumer signing up for ExpyFi's services to authorize ExpyFi to make charges to his or her credit card or make withdrawals from his or her bank checking or savings account.

22. This ExpyFi New Membership Application also provides a place for the consumer to sign his or her name. Under the signature line, the application states, "I have agreed to purchase the package selected above. I understand that such services/products will be provided on a monthly basis until I cancel my membership in writing."

23. By entering into this New Membership Application contract with consumers, ExpyFi is advertising and charging consumers up-front to provide credit repair services before any services are performed or completed.

24. A Google search on the Internet of ExpyFi resulted in this link: www.expyfi.com.

25. The home page of www.expyfi.com states the following:

ExpyFi specializes in helping restore credit and finances.

We are an educational company committed to helping individuals learn the importance of credit and financial restoration.

If you're interested in buying a home, refinancing, purchasing a car, etc...

No company or individual can help you the way ExpyFi can!

26. The home page of www.expyfi.com also states the following:

ExpyFi is the best Crediration company known nationally!

Crediration is a combination of:

1. Credit Repair
2. Credit Restoration
3. Credit Enhancement

No company or individual can help you the way ExpyFi can!

27. Defendant ExpyFi's website also states:

"Regardless of your credit situation... ExpyFi can "really" help!"

"Choose Only The Best ... ExpyFi" and

"No other company or individual can help RAISE CREDIT
SCORES the way ExpyFi can!"

28. Defendant ExpyFi's website also details the credit repair process offered by
ExpyFi as follows:

The Process
for Clients / Members

1. Fill out all ExpyFi paperwork COMPLETELY
2. Make sure you have all of your documents copied and ready to be sent with your package
3. Order your Tri-Merge (all three) Credit Reports. We encourage you to order your Tri-Merge reports from CreditMax
4. Make sure your representative signs all documents before [f]orwarding to ExpyFi
5. We encourage you to send all paperwork to the ExpyFi P.O. Box
6. When we receive your package we will begin working and within 48 hours we will have sent disputes to all three credit bureaus
7. Within fourteen (14) days the home office will have sent you a progress report letting you know (exactly) what has be[en] done regarding your package
8. Within 30-45 days of receiving your package, you will receive an updated credit report from all three bureaus

letting you know what was deleted and what stayed on the profiles

9. As soon as you receive your updated report, make copies for your record and forward your original reports to the ExpyFi P.O Box, ASAP!
10. The client may need ExpyFi to continue to dispute items on the credit report that were not removed during the first 30-45 days. Every creditors['] response to this process is different. Communication between the client and ExpyFi after a few months is very important. ExpyFi depends on the client to keep it informed as to the updated credit reports and new credit scores and the needs of the client.

29. The restoration package offered is explained as follows when clicking on “Services” on Defendant ExpyFi’s website:

Restoration Package

ExpyFi will contact the Credit agencies on your behalf,
demanding that they
Remove ALL Negative Items that are not verified as per law

ChexSystems
Checking Account
Credit Cards (Secured and Unsecured)

QixScore (QixScore will assist in helping
get your credit scores to 700 ASAP, via Education,
Information and TeleSeminars)

Exclusive TeleSeminars
Also, you will receive How To Buy a Home in 30 Days
How To Refinance Your Home
How to become a Real Estate Investor

The above information will also be taught via our Exclusive
TeleSeminars

30. Clicking on the tab “Company” on www.expyfi.com provides the following information:

ExpyFi is passionate about helping consumers reestablish creditworthiness and restoring finances. We believe no other company or individual can help you the way we can.

ExpyFi was started over seven years ago (December 1999). The company was started out of a need by the founder, Tony Thomas. Tony had 26 negative items on his credit profiles with Equifax, Trans Union and Experian. He was \$55,000.00 in debt. He was shown how to have “all” inaccurate, outdated, erroneous information deleted from his credit profiles and begin a new life, as a result of having his credit and finances restored.

ExpyFi has well over 30 years (combined) experience in the Credit and Financial Restoration area, offering “solutions” and “help” to those who have been turned down when trying to buy a new home, refinance your home, purchase a new vehicle, or simply have utilities turned on in your name without paying a hefty deposit.

If you're serious about restoring your credit and finances... ExpyFi can definitely help... No one can help you the way we can!

31. Defendant ExpyFi’s website also has a tab for “The Secret” which reveals the following information:

The Secret

Actually, the secret consist of two parts...

1. You don't have to remove “every” negative item from your credit profile in order to have good credit.

Your credit worthiness is not contingent on removing negative items. It’s based on developing a solid credit (middle) score.

2. Your goal is to raise your credit scores to 700 plus, and we can definitely help you.

There are a number of ways we can help you raise your credit scores to 700 plus. Our tactics and strategies are unmatched when it come to boosting credit scores rather quickly.

No other company practices Crediration, except ExpyFi!
Crediration is a combination of:

1. Getting Negative Items deleted from the credit profiles
2. Restoring the credit profile
3. Boosting all three credit scores with Equifax, Trans Union and Experian

32. Defendant ExpyFi has listed the benefits of selecting its Crediration program on its website under "Benefits":

1. We do all the letter writing for you
2. We help you open checking accounts
3. We help you obtain credit cards
4. We educate you regarding the laws that protect you
5. We stop collectors from harrasing you at your home and job
6. We prevent collectors from putting collections on your credit profile
7. We provide live educational seminars
8. We provide teleconference calls to educate you
9. We help increase credit scores quickly
10. Our program is "better" than every other credit repair company
11. FREE Business Opportunity Web site
12. FREE Back Office Web site
13. We have proprietary software to assist in cleaning your credit

33. Under the "Forms" section of www.expyfi.com, there is a link to a Welcome Letter which is electronically signed by Defendant Tony Thomas.

34. On the home page of Defendant ExpyFi's website, located at <http://www.expyfi.com/d.cgi//home.html>, in the center of the page is a video above which states "Why ExpyFi??? Click Here To View Video." This video is a nineteen minute presentation by an individual who identifies himself as Tony Thomas. He states:

ExpyFi was started seven years ago in Marietta, Georgia. Ladies and Gentlemen, I started the company, Tony Thomas. I had less than perfect credit or should I say I had horrible credit. As a matter of fact, and I'm not too proud to share this, but my credit was so bad, I had 26 negative items on my credit profile, I was \$55,000.00 in debt, and sad to say, I was still living off my mother. Ladies and Gentlemen, no I'm not proud of that, but that was my reality. I'm here to let you know today that ExpyFi can help your situation, no matter how bleak, no matter how dismal, we can help.

35. This video further describes the Bronze Package or Package Number One which Defendant Thomas states costs \$49.00 per month for individuals or \$69.00 per month for couples, the Silver Package or Package Number Two which Defendant Thomas states costs \$79.00 per month for individuals or \$99.00 per month for couples, and the Gold Package or Package Number Three which Defendant Thomas states costs \$99.00 per month for individuals or \$119.00 per month for couples.

36. While describing the Bronze package or Package Number One on the video, Defendant Thomas states: "Crediration is going to help get all the negative items off your credit

profiles, including bankruptcies, tax liens, civil judgments, student loans, late, collections, child support, repossessions, foreclosures.”

37. While describing the Bronze package or Package Number One on the video, Defendant Thomas also states: “So, ladies and gentlemen, rest assured that ExpyFi has all of the experience, the know hows, the where with alls, to help anybody in any situation.”

38. While describing the Bronze package or Package Number One on the video, Defendant Thomas also states:

We know how to help you. We’re qualified and we’re ready to meet you right where you are. So, ladies and gentlemen, do me a favor. Don’t ever believe the lie that you have to keep items on your credit profiles for seven years, non-public records, ten years for public records. That’s a lie. And ladies and gentlemen, we’re going to show you through our expertise, how no one can help you the way ExpyFi can.

39. While describing the Bronze package on the video, Defendant Thomas further states: “Crediration will also help to delete all the inquiries from your credit profiles.”

40. While describing the Silver package or Package Number 2 on the video, Defendant Thomas states:

You can have good credit, even if you leave the negative items on your credit profile. We’re not going to do that, but if we increase your credit scores and get them to at least 700, you’re just where you need to be. So, once again, if you have a 699 and below, you have less than perfect credit. 700-720, not bad, that’s good. But 720 and above, ladies and gentlemen,

ExpyFi can show you how to get there and that's exactly what package Number 2 is going to help you obtain that 700-720 middle score.

41. While describing the Gold package or Package Number 3 on the video, Defendant Thomas states:

We're going to show you how to purchase a home. Your very own home in 30 days or so, it all depends on where you stand credit wise. But once again, ladies and gentlemen, there are a bunch of people that we're going to help purchase a home in 30 days or less. Also included in package Number 3 we're going to show you how to pay your mortgage off in seven to ten years. With our Mortgage Acceleration Program. Also included in Package Number 3, we're going to show you how to become a real estate investor.

42. By calling the number, 800-852-8366, listed on the signs posted near Interstate exit ramps in Nashville and Memphis, consumers will get a recording listing upcoming free seminars hosted by Defendant Thomas. Upon information and belief, these seminars are being held at locations in Tennessee, including but not limited to the East Memphis Marriott hotel, the Top of the Line Banquet Hall in Memphis, and the Holiday Inn on Broadway in Nashville.

43. At one such seminar, Defendant Thomas, who at the time identified himself under a purported alias, "Anthony J. Thompson of Atlanta, GA," and explained to attending consumers that his company was now called Credit Phd., formerly CreditMax, and handed consumers a Credit Phd. Confidential Client Form.

44. The Credit Phd. Confidential Client Form that Defendant Thomas handed out to attendees of his seminar provides the following box for “Payment Information”:

FEE:

\$49.00 INDIVIDUAL / \$69.00 COUPLE (DO IT YOURSELF / LIMITED HELP)

\$149.00 INDIVIDUAL / \$169.00 COUPLE (WE HOLD YOUR HAND)

\$495.00 (START YOUR OWN BUSINESS)

45. During the seminar, Defendant Thomas gave a presentation during which he exhibited a credit report allegedly belonging to one of his former clients bearing the last name of Maddox that showed inaccuracies on the listings by three creditors. Defendant Thomas advised consumers that a few years ago federal legislation was passed that required creditors and credit agencies to list accurate information on credit reports, and that by exploiting a literal interpretation of the word “accurate” it would be possible to remove from a consumer’s credit history any negative information that is not complete, misleading, or otherwise inaccurate.

46. During the seminar, Defendant Thomas then displayed a few copies of purportedly actual creditor collection letters addressed to both himself and a client and advised attending consumers that by answering these letters within 30 days with a letter citing the same consumer laws/legislation, along with a statement that the writer is not refusing to pay the debt but is only disputing same, the debt would be dismissed and removed from the credit report. Defendant Thomas next displayed purported responses from the creditors informing him that these debts had indeed been dismissed.

47. During the seminar, Defendant Thomas then informed the attending consumers that for forty-nine dollars (\$49.00) he would provide the consumer with a DVD that would show

him or her, step by step, how to contact creditors and credit reporting agencies to clean up his or her credit and achieve a FICA score above 700. Defendant Thomas stated that the \$49.00 fee would include regular conference calls with Defendant Thomas and on-line assistance via expyfi.com.

48. The State is aware of at least one consumer who has purchased goods or services from Defendants.

49. Recent calls made to the telephone number listed on the signs, 800-852-8366, now provide a recording that states the following:

Hello, and thanks for calling Credit Max. If you saw a sign on the side of the road that says raise your credit scores 700+. Well we can do that and so much more. I don't care if you have a bankruptcy, tax lien, civil judgment, late payment, collection, child support, or repossession, no one can help you the way Credit Max can. We have countless clients who have given testimonials that you can hear for yourself.

No one can help you the way we can.

50. Defendant Anthony "Tony" Thomas is not registered to provide credit services in the State of Tennessee.

51. Defendant ExpyFi, LLC is not registered to provide credit services in the State of Tennessee.

52. Defendant CreditMax Financial, LLC is not registered to provide credit services in the State of Tennessee.

53. Defendant Credit Phd., Inc. is not registered to provide credit services in the State of Tennessee.

IV. VIOLATIONS OF THE LAW

A. TENNESSEE CONSUMER PROTECTION ACT

54. The Plaintiff incorporates by reference and realleges each and every allegation contained in Paragraphs 1 - 53.

55. At all times relevant to this Complaint, the conduct alleged in this Complaint occurred in the conduct of “trade,” “commerce” and/or a “consumer transaction” and the offering of, or providing of, “goods” and/or “services” as defined in Tenn. Code Ann. § 47-18-103(5), (10) and (11).

56. All of the acts and practices engaged in and employed by Defendants as alleged herein are “unfair or deceptive acts or practices affecting the conduct of any trade or commerce” in Tennessee, which are declared unlawful by Tennessee Code Annotated § 47-18-104(a).

57. Each and every unfair or deceptive act or practice engaged in by Defendants as recited above constitutes a separate violation of the Tennessee Consumer Protection Act as provided by Tenn. Code Ann. § 47-18-104(b).

58. By representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has a sponsorship approval, status, affiliation or connection that such person does not have, Defendants have violated Tenn. Code Ann. § 47-18-104(b)(5).

59. By representing that goods or services are of a particular standard, quality or grade, if they are of another, Defendants have violated Tenn. Code Ann. § 47-18-104(b)(7).

60. By representing that a consumer transaction confers or involves rights, remedies, or obligations that it does not have or involve or which are prohibited by law, Defendants have violated Tenn. Code Ann. § 47-18-104(b)(12).

61. All of the acts and practices engaged in and employed by Defendants as alleged herein are unfair and deceptive to consumers in violation of Tenn. Code Ann. § 47-18-104(b)(27).

B. TENNESSEE CREDIT SERVICES BUSINESSES ACT

62. The Plaintiff incorporates by reference and realleges each and every allegation contained in Paragraphs 1 - 53.

63. By charging or receiving any money or other valuable consideration prior to full and complete performance of the services that the credit services business has agreed to perform for or on behalf of the consumer, including all representations made orally or in writing, Defendants have violated Tenn. Code Ann. § 47-18-1003(1). Under Tenn. Code Ann. § 47-18-1003(1), “Full and complete performance” means fulfillment of all items listed in the contract and other solicitations or communications to consumers.

64. By making or using any untrue or misleading representations in the offer or sale of the services of a credit services business or engaging, directly or indirectly, in any act, practice, or course of business which operates or would operate as a fraud or deception upon any person in connection with the offer or sale of the services of a credit services business, Defendants have violated Tenn. Code Ann. § 47-18-1003(4).

65. By providing, in any manner, the services of a credit services business within this state, without registering a bond consistent with the provisions of Tenn. Code Ann. § 47-18-1011, Defendants have violated Tenn. Code Ann. § 47-18-1003(6).

66. By removing, assisting or advising the consumer to remove or otherwise alter adverse information from the consumer's credit record which is accurate or not obsolete, Defendants have violated Tenn. Code Ann. § 47-18-1003(7).

67. By using a program or plan which uses or employs installment payments featuring payments charged directly to a credit card prior to full and complete performance of the services that the credit services business has agreed to perform for or on behalf of the consumer, Defendants have violated Tenn. Code Ann. § 47-18-1003(9).

68. By using contracts for services that do not include cancellation notices that conform to the requirements of the Tennessee Credit Services Businesses Act, Defendants have violated Tenn. Code Ann. § 47-18-1006.

69. By failing to register with the Tennessee Department of Commerce and Insurance and post the statutorily mandated bond before conducting business in Tennessee, Defendants have violated Tenn. Code Ann. § 47-18-1011.

70. Pursuant to Tenn. Code Ann. § 47-18-1010(a), all of the violations of the Tennessee Credit Services Businesses Act listed in paragraphs 63 - 69 constitute violations of the Tennessee Consumer Protection Act.

DEMAND FOR RELIEF

WHEREFORE, Plaintiff, State of Tennessee, through its Attorney General and Reporter, Robert E. Cooper, Jr., pursuant to the Tennessee Consumer Protection Act, the Attorney General's general statutory authority, the Attorney General's common law authority and this Court's equitable powers, prays:

1. That this Complaint be filed without cost bond as provided by Tenn. Code Ann. § 47-18-116;
2. That process issue and be served upon Defendants, requiring them to appear and answer this Complaint;
3. That this Court adjudge and decree that Defendants have engaged in the aforementioned acts or practices which violate the Tennessee Consumer Protection Act of 1977 and the Tennessee Credit Services Businesses Act;
4. That this Court permanently enjoin Defendants from engaging in the aforementioned acts or practices which violate the Tennessee Consumer Protection Act of 1977 and the Tennessee Credit Services Businesses Act, and that such orders and injunctions be issued without bond pursuant to Tenn. Code Ann. § 47-18-108(4);
5. That this Court make such orders or render such judgments as may be necessary to restore to any consumer or other person any ascertainable losses, including statutory interest suffered by reason of the alleged violations of the Tennessee Consumer Protection Act of 1977, and require that Defendants be taxed with the cost of distributing and administering the same pursuant to Tenn. Code Ann. § 47-18-108(b)(1);

6. That this Court make such orders or render such judgments as may be necessary to declare void and unenforceable any contract for services from Defendants that do not comply with all of the applicable provisions of the Tennessee Credit Services Businesses Act;

7. That this Court make such orders or render such judgments as may be necessary to disgorge the profits and ill-gotten gains Defendants realized by reason of the alleged violations of the Tennessee Consumer Protection Act of 1977;

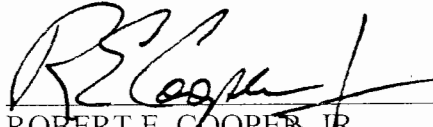
8. That this Court enter judgment against Defendants and in favor of the State for the reasonable costs and expenses of the investigation and prosecution of Defendants' actions, including attorneys' fees, expert and other witness fees, as provided by Tenn. Code Ann. § 47-18-108(a)(5) and (b)(4);

9. That this Court adjudge and decree that Defendants pay civil penalties of not more than one thousand dollars (\$1,000.00) per violation to the State as provided by Tenn. Code Ann. § 47-18-108(b)(3);

10. That all costs in this case be taxed against Defendants; and

11. That this Court grant Plaintiff such other and further relief as this Court deems just and proper.

Respectfully submitted,



ROBERT E. COOPER, JR.
Attorney General and Reporter
B.P.R. No. 010934



JENNIFER E. PEACOCK
Assistant Attorney General
B.P.R. No. 022227
Office of the Tennessee Attorney General
Consumer Advocate & Protection Division
Post Office Box 20207
Nashville, TN 37202-0207
Telephone: (615) 741-3108
Facsimile: (615) 532-2910

APPROVED BY:

A handwritten signature in cursive script, reading "Mary Clement", written over a horizontal line.

MARY CLEMENT

Director of the Division of Consumer Affairs

500 James Robertson Parkway

Nashville, TN 37243-0600

(615) 741-4737

EXHIBIT A

IN THE CIRCUIT COURT FOR DAVIDSON COUNTY, TENNESSEE
FOR THE TWENTIETH JUDICIAL DISTRICT AT NASHVILLE

FILED
2007 NOV 15 PM 2:31
RICHARD R. REEDER, CLERK
Ret
D.C.

STATE OF TENNESSEE, ex rel. ROBERT)
E. COOPER, JR., Attorney General &)
Reporter,)
)
Plaintiff,)
)
v.)
)
EXPYFI, LLC, a Georgia limited liability)
company, doing business as www.expyfi.com,)
CREDITMAX FINANCIAL, LLC, a Georgia)
limited liability company, CREDIT PHD., INC.,)
A Georgia nonprofit corporation, and)
ANTHONY "TONY" IRVING THOMAS aka)
ANTHONY J. THOMPSON,)
individually and doing business as)
EXPYFI, LLC, CREDITMAX FINANCIAL,)
LLC, CREDIT PHD., INC., and)
www.expyfi.com,)
)
Defendants.)

No. _____

AFFIDAVIT AND VERIFICATION OF MARY CLEMENT,
DIRECTOR OF THE DIVISION OF CONSUMER AFFAIRS

I, Mary Clement, do hereby depose and aver as follows:


1. I am the duly appointed Director of the Division of Consumer Affairs, Department of Commerce and Insurance, State of Tennessee.
2. The allegations contained in the foregoing Complaint establish a Reason to Believe that Defendants named in the action have engaged in acts or practices which violate the Consumer

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Protection Act and that this action is in the public interest.

3. I have determined that the purposes of this part would be substantially impaired by delay in instituting legal proceedings if ten (10) days notice were given before instituting legal proceedings. Therefore, notice was not given to Defendants before the Complaint was filed.

FURTHER AFFIANT SAITH NOT.



Mary Clement, Director
Division of Consumer Affairs
Department of Commerce and Insurance

Sworn to and subscribed before me
this 15 day of NOV, 2007.


NOTARY PUBLIC

My commission expires:

8/23/11



My Commission Expires AUG. 23, 2011

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